European Community Commentary

A Supplement to *Trade and Industry*

Number 15 September 1974

The UK, the EEC and development aid

The policies on matters affecting developing countries which the Government is pursuing in the European Community need to be viewed against the background of the renegotiation of the terms of our accession to the Community. As the Foreign Secretary indicated to the Council in his statements of 1 April (for text see *European Community Commentary* No. 10, pp 1-2, 12) and 4 June (*ibid.*, No. 12, pp. 1-5), the basic objectives are to achieve a Community approach which will take into account the needs of *all* developing countries (not only those which are existing or potential Associates) in ways that will secure:

(i) a more balanced set of Community aid instruments better adapted to the management of a world-wide programme reflecting the principle of need;

(ii) better access to the Community's markets for the products of developing countries (through improvements in the Community's Generalised Preferences Scheme, through the multilateral trade negotiations or through the various Association Agreements);

(iii) satisfactory arrangements for the developing Commonwealth sugar producers.

The Government is also looking to the Community to implement its Declaration of Intent on the development of trade relations with Sri Lanka, India, Malaysia, Pakistan and Singapore.

Below we review the progress made to date towards these objectives.

Overall Community aid policy

In a general statement of UK policy on Community aid, which she made to the Council of Development Ministers on 30 April (for text see pp. 2-3 of this issue), the Minister of Overseas Development, Judith Hart, set out the Government's belief that the Community should have a world-wide, global, approach to the distribution of its aid, and – both within and outside Association – should seek a more specific application of the principle of need. She called for the establishment of an overall aid framework to enable the Community better to discuss and determine its priorities, and to achieve a better balance between the assistance given to the Associates and that received by non-Associated developing countries. She told the Council that the Government now accepted the principle of a 0.7 per cent of GNP level of official development assistance. The Commission subsequently prepared draft proposals in this connection, which were discussed at the Development Council on 13 June. The UK found them inadequate, and they are now being revised, in the light of more detailed analysis at the most recent Council on 16 July, for presentation to Development Ministers after the summer.

In the 16 July Council, Mrs. Hart underlined the nature and purpose of the global framework sought by the Government by pointing to (i) the large imbalance of commitments that is likely to emerge between Community actions in the Associated and the non-Associated countries, and (ii) the extent to which disbursements to the latter will fall short of the roughly 50/50 balance which the UK would like to see. The most important contribution to achieving a reasonable balance in Community aid would be to provide the non-Associates with planned financial assistance, and the Council recognised this by finally agreeing on the terms of a Resolution establishing the principle of Community financial and technical assistance to these countries. The UK is now anxious to make progress towards defining the actions necessary to implement this principle. The first base in the renegotiation objectives has hence been established: the aim now is to build on this base.

At each of the last two Development Councils the UK has also urged the Community to contribute to the Emergency Measures being planned by the United Nations to help those developing countries suffering most from recent movements in the price of oil and other important commodities. The Community has offered to provide up to $500 million of the target sum of $3,000 million, on condition that other developed and oil-producing donors contribute commensurate amounts.

With respect to Community food aid, the UK has been examining the Commission's proposals within the context of the overall framework of aid policy. Appreciating the extent of the probable need for food aid in drought and emergency situations in the next year or two, the Government has accepted a one-year renewal of the Food Aid Convention (to which the Community is a party), but has emphasised that it does not consider food aid in the long term as developmental. It has suggested that the volume of Community aid devoted to its food-aid products should be kept down to about the present levels.

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Association policy

The Government accepts that a deep traditional and contractual relationship exists between the Community and its present Associates, and the UK is playing an active part in the current negotiations with the 44 African, Caribbean and Pacific Associates and Associables.* These states will benefit from a new European Development Fund. The Government will continue to work for: a flexible management of the Fund, in which the Associated countries will have a reasonable say; a geographical distribution of the concessional element that better reflects the principle of need; and a constructive relationship between the Commission and the European Investment Bank.

In the meantime, the Community has been discussing mandates for the negotiation of Association Agreements with the three countries of the Maghreb (Morocco, Tunisia and Algeria) and with Malta. Here, as with the Protocol 22 Association negotiations, the UK's aim is to secure a volume and terms of aid that will have a consistent place within the overall aid framework covering both Associated and non-Associated countries.

Trade

In the current discussions on improving the Community's Scheme of Generalised Preferences, the UK is aiming at gaining larger benefits for developing countries, especially the poorer ones, in the context of a less complicated overall scheme. The Government will also be advocating a liberal Community approach to the multilateral trade negotiations, and is intent on seeing progress towards completion of commercial agreements with other Declaration of Intent countries similar to that signed recently between the Community and India.

Mrs. Judith Hart, Minister of Overseas Development, pictured with M. Claude Cheysson, EEC Commissioner for Development Co-operation and Budgetary Affairs, during his recent visit to London for informal talks on the Community's relations with the Third World.

Text of Mrs. Hart's statement to the Development Council on 30 April 1974

1 I welcome this opportunity to meet with my colleagues, some of them already old friends, to discuss Community Development Aid policy. It is appropriate that we should do this in the light of the useful exchange of views we had this morning about the special session of the UN General Assembly. I think most of us felt this should provide a perspective for our relations with the Third World. It is particularly helpful for me to be able to explain my Government's broad approach to the evolution of a Community policy that will benefit not just Associated countries but developing countries throughout the world. As you know, we regard this question as highly relevant to our present renegotiations.

2 None of us can foresee the eventual consequences of the recent rapid increase in oil and commodity prices but one thing is clear as far as the developing countries are concerned. On the one hand, the outlook for those that are oil producers has been transformed, and they are not likely for the foreseeable future to lack financial resources for development; indeed some of them may themselves become major donors. On the other hand, some developing countries – including some of the largest and poorest – have been desperately affected. They will need all the help they can get in adjusting to the new situation.

3 The essential conclusion from the new situation is that it has become even more important that the distribution of aid from the industrialised countries should be based on sound and logical principles. In the past, the criteria governing aid distribution were dominated by considerations of economic performance measured by the rate of economic growth in developing countries. It is only comparatively recently that most of us have begun to recognise that this approach was misconceived and that we should consider above all the need of developing countries as indicated by their GNP per head – which itself, as we know, can conceal maldistribution of resources within their societies.

4 Clearly, their absorptive capacity is an initially limiting factor. Clearly, also, many donor countries have traditional and historical relationships with some developing countries which must be allowed to influence the distribution of their aid. In our case, there is a particular interest in the Commonwealth, both those countries which are the new Associables with the Community and, no less important, those which do not have the opportunity of Association. Other members of the Community also have their own strong historical links, and since, in our bilateral programmes, none of us can help every country in the world, and each of us must exercise some degree of selection, none of us is likely to achieve bilateral programmes which fully and perfectly reflect the criterion of judging according to the degree of poverty – the need – of each developing country. But Community programmes should surely seek to reflect this criterion.

5 I recognise the importance of the Association principle which has governed the distribution of Community financial aid. But it cannot be regarded as either logical or moral for Community programmes to be drawn up without regard for the relative size and poverty of those developing countries which most need help. Indeed, if we took population and income per head as the sole criteria (and I realise that in allocating concessional funds other factors, such as future balance of payments prospects, are highly relevant), and if we compared those countries which are eligible for Association with those which are not, we would see that the needs of the non-Associates are four times as great. Taking into account the other factors I have mentioned – historical and political – I accept that we cannot achieve an ideal pattern of aid distribution. But if we look at the present distribution of Community financial aid, we see that it is exclusively for the benefit of the Associated countries, and thus bears no relation to the world wide pattern of need. M. Cheysson reminded us this morning of the likely future importance of food aid and emergency relief; and I accept this and that the Community has made a significant effort in this field. But that must not be all that it does for those countries that are not associated with it. Moreover, even within the group of Associates, the distribution of financial aid has not corresponded in any clear way to the relative needs of the individual countries. Some of the poorest countries have benefited least of all.

6 My call today therefore is for a policy that will lead to a more balanced distribution of Community aid on a world-wide basis, and, clearly, in our discussions we shall want to explore what this balance should be. This is first and foremost a matter of vision and political will; a matter indeed of the enlarged Community exercising its responsibilities as an important multilateral aid institution, and, accordingly, taking full account of the poverty of people, wherever in the world they may live. In this way, the Community would fulfil past commitments and in particular the objective set out so recently on behalf of the Community in New York; to strive for a world-wide development policy. It does not mean that the Community should hold back the negotiations now proceeding for a new agreement extending Association to

* Progress in these negotiations is reviewed in an article on pages 3-4 of this issue.

a wide range of Commonwealth and other countries: indeed we are anxious that these should proceed as rapidly as possible. But it does mean that the aid we give to them should be determined according to the principle of need, and should be supplemented by aid for the highly populated and very poor developing countries lying outside the circle of Association. It will also mean, of course, that in our renegotiations we shall be concerned, as you know, about the trading relationships of both Commonwealth non-Associable and all other non-Associable developing countries with the Community. In this context, the relationship which we see between the Common Agricultural Policy, the Generalised Scheme of Preferences and Community Aid policy was very clearly set out by my colleague, Mr. Callaghan, in the Council on 1 April. Our judgement at the end of the day must take account of all these factors.

7 But today we discuss specifically Community aid. I recognise that here we face also the question of resources, and that, if we will the end of a more balanced Community aid programme, we must also will the means. I should therefore like to tell you where the British Government stands on the question of the volume of aid.

8 As my colleagues here may know, in 1970 my Party accepted in principle the 0.7 per cent target for official aid, which we consider by far the most important of the targets set out by the UN. We were sorry that the British Government has not until now accepted the 0.7 per cent target. The British Government now accept it in principle, and we shall seek in the years ahead to move towards it. Many of us here have economic problems and many calls on our resources, and the pace at which some of us can reach the target will depend on those factors, but we do now take this important step forward.

9 I hope therefore that we shall be able to make progress in drawing up Community aid programmes within our capacity which are fully responsive to the needs of both Associated and non-Associated countries. I doubt whether we can carry our discussion of a balanced Community aid programme very far unless we have before us some outline of the various aid commitments the Community might undertake over the period ahead. We know that a very considerable sum will be needed for a new European Development Fund and the Commission have proposed a substantial expansion of the present food aid programmes. There is also the Mediterranean. In addition there have been proposals which we discussed this morning for the Community to play its part in helping countries hardest hit by the oil crisis. I think most of us agreed that substantial and continuing assistance will be required for this. What we suggest therefore is that the Commission should be invited to draw up what we would call an aid framework covering possible commitments over the next five years. This will not be easy and some assumptions will have to be made about matters that have yet to be negotiated. But this seems to us to be the only way in which the Community can make a judgement both about the overall amount that it can afford for Community aid and about the balance to be established between the various programmes. Speedy progress on this will help us when we come to discuss the question of the new European Development Fund.

10 I would ask that such a framework should be prepared and examined at a working level within a matter of weeks and I hope that there will be an opportunity thereafter for us to discuss it at an early meeting of the Council in June, as suggested this morning, so that the total Community aid offer can correspond more closely to the needs of the Third World than any proposals so far discussed by this Council.

The Community, its Associates and Associables: towards a new Convention

The negotiations to establish a new Convention superseding that governing the EEC's relations with its 19 existing Associates, and also encompassing the African, Caribbean and Pacific countries which became eligible for association (the so-called 'Associables') after the UK's accession to the Community, were given new impetus by the Ministerial Conference which took place in Kingston, Jamaica, on 25 and 26 July. Below we bring readers up to date with events.

The negotiations are important in the context of the EEC's economic relations with the developing nations. The Government's thinking on the ways in which the Community's development policy should evolve are outlined on pages 1-3 of this issue.

Associates and Associables

In 1963, 18 former colonies of Member States of the Six signed a Convention at Yaoundé by which they entered into a form of associateship with the EEC. The Associates were granted duty-free access to the Community's markets (products covered by the Common Agricultural Policy excepted) and also access to the European Development Fund and the European Investment Bank. In return the Community's exports were to be admitted duty- and quota-free by the Associates unless their Development needs warranted otherwise. In 1969 the Convention was renewed for five more years, and discussions for a further period of associateship were to start not later than 1 August 1973. In 1973 Mauritius became an Associate. The Community was therefore due to embark on negotiations with its 19 existing Associates in the year in which (under Protocol 22 of the Treaty of Brussels) the Commonwealth countries became eligible for associateship following the accession of the UK to the EEC. In view of this, the negotiations were extended to cover both Associates and Associables – 44 African, Caribbean and Pacific states (the so-called ACP countries) in all. The full list is given on page 4.

The Commission recommended that the terms of the new Convention of Association should in the main follow very closely those of the Yaoundé Convention. It also put forward a scheme to stabilise export earnings from eight primary products of interest to the negotiating countries (sugar, ground nuts, ground-nut oil, cotton, cocoa, coffee, bananas, copper), and, in particular, proposed that the Community should guarantee to purchase 1.4 million tonnes of sugar a year. When the negotiations opened, however, the Commission was armed only with a partial negotiating mandate, the Council having encountered difficulty in reconciling differences of view on tariff reciprocity and the stabilisation of export receipts.

The negotiations

The negotiations were formally opened at a Ministerial meeting on 17 and 18 October, and discussions have since continued in a series of meetings between the Commission (representing the Nine) and officials of the ACP countries. The ACP have taken a clear line, pursuing four main objectives:

- free and unlimited access to EEC markets for all their exports;
- elimination of tariff reciprocity;
- more generous origin rules than those of the Yaoundé Convention;
- measures to stabilise export earnings.

A limited amount of progress having been made in most of the sectors under discussion at the official level, it was decided to attempt to resolve the outstanding issues at Ministerial level. The result was the Ministerial Conference held in Kingston, Jamaica, on 25 and 26 July.

The Council of Ministers considered the Community's negotiating position two days before the Conference. Agreement was reached on the broad outlines of a fund to be proposed as a means of stabilising export earnings from selected primary products in the long term. On sugar the UK proposed that reference to the Commission's figure of 1.4 million tonnes should be written into the mandate, but in the absence of a consensus a decision on the approach to this commodity was held over. The Council succeeded in resolving its differences on the question of reciprocity in the trading arrangements, and accepted the proposal that the ACP countries should be under no obligation to reciprocate the Community's trade concessions.

The 44 Associates and Associables

Nineteen existing Associates, signatories of the Yaoundé Convention:

Mauritania, Mali, Senegal, Ivory Coast, Upper Volta, Niger, Togo, Dahomey, Cameroon, Chad, Central African Republic, Gabon, Congo, Zaire, Rwanda, Burundi, Malagasy Republic, Mauritius, Somalia.

Twenty Commonwealth Associables, negotiating under the terms of Protocol 22:

Tanzania, Uganda, Kenya, Nigeria, Ghana, Sierra Leone, The Gambia, Zambia, Malawi, Lesotho, Botswana, Swaziland, Jamaica, Trinidad and Tobago, Barbados, Guyana, The Bahamas, Fiji, Tonga, Western Samoa.

Five non-Commonwealth Associables:

Ethiopia, Liberia, Sudan, Guinea, Equitorial Guinea.

The Kingston Conference

Although the Conference by no means solved all the outstanding issues, it achieved more than seemed possible at the outset and was successful in giving a new momentum to the negotiations. Much detailed work remains to be done, but the general guidelines for future progress are now clearer. It should be possible to accelerate the pace of the negotiations when they resume in September, and there is a good chance of the Convention's being signed in December or January (though the ratification procedures can obviously not be completed in time for promulgation on 1 February 1975, the date laid down in the Treaty of Accession).

Discussions at the Conference covered six major issues: general trading arrangements; the treatment of CAP products, including sugar; the export stabilisation scheme; volume of aid; industrial co-operation; and institutions. The progress made, and the work that remains to be done, are described below.

General trading arrangements

The Community's acceptance of the principle of non-reciprocity in the trading arrangements was welcomed by the Conference as a major breakthrough. It was agreed that work to establish a set of origin rules acceptable to both sides should continue (the ACP maintain that the current EEC proposals are not liberal enough) and the likelihood is that the new Convention will provide for non-tariff barriers to be discussed within the institutions of the new Association.

CAP products

The special arrangements to be built into the new Convention, exempting certain CAP products from duties and/or levies, have proved to be one of the most intransigent of the sectors under negotiation. After a great deal of intra-Community negotiation, a list of concessions was drawn up and presented to the ACP late this Spring. The ACP's initial reaction was that the offer, though better than the arrangements under Yaoundé, fell short of expectations. The entire ACP Group is reluctant to accept the offer, considering that the Commonwealth Associables' position will be worsened in UK markets without sufficient compensation from benefits in the other EEC markets. The ACP countries are particularly unhappy about the safeguard arrangements for imports of tobacco and beef and the levies on meat, cereals and dairy products. Their views were reiterated at the Kingston Conference, and will be the subject of further detailed discussions in the Autumn.

On sugar the Community spokesman referred to the UK's commitment on access for 1.4 million tonnes of ACP sugar exports into the Community, and explained that the other Member States could not decide their attitude to ACP sugar until the Community had agreed on its own internal sugar policy. In the meantime, the Commission is to obtain from the ACP states concerned their views on the most satisfactory way of protecting their interests.

Export-earnings stabilisation scheme

There is now a firm commitment between the EEC and the ACP to create a scheme to reduce the adverse effects on the economies of ACP countries of falls in the price or quantity of their main export products. The details of the scheme (eg, the products to be included, the amount of funds to be allocated and the method of payment) have yet to be agreed. The Commission is to begin immediate discussions with the ACP countries about the products which should be included.

Volume of aid

There was agreement between the ACP and the Nine on the principles that (i) present Associates should receive benefits equivalent to those they currently enjoy under the European Development Fund, and (ii) new Associates should be placed on an equal footing. However, there remains a yawning gap between the ACP's opinion on what money should be available from the Fund and the figure which the Community is prepared to consider.

Industrial co-operation

Industrial co-operation is an imprecise concept and, so far, has been discussed in fairly general terms. It is a subject of great importance to the ACP countries, however, and they have now submitted a paper setting out their detailed requests. The Community has agreed to the new Convention's including provision for industrial co-operation, but the particulars have yet to be settled.

Institutions

These will be examined when all the other details of the new Convention have been agreed.

VOLUME B NOW AVAILABLE

ENCYCLOPEDIA OF EUROPEAN COMMUNITY LAW

General Editor: K. R. SIMMONDS

The publication of Volume B of the *Encyclopedia of European Community Law* is the second major step in the task of presenting texts and expert annotations of the legislative sources of European Community Law. Volume A, *United Kingdom Sources*, is already available, and Volume C, *Community Secondary Legislation*, will be published shortly. In Volume B, now published initially in two loose-leaf volumes, the reader will find the constituent and amending treaties together with further treaties, protocols, agreements, etc., concluded among the Member States of the Communities and between the Communities and non-Member States.

The material in this volume, which is very full even at publication, has been presented in as accurate and accessible a form as possible. Where an unofficial English version of a text is the only one available, this will be replaced as an official translation is published by the Official Publications Office. A Checklist, setting out in chronological order all the instruments in the volume, is given to guide the reader through a mass of treaties, protocols, agreements, decisions, letters and communiques. Volume B (in two binders) £35 net, including service to end of 1974.

Also available: Volume A £17.50 net, including service to end of 1974.

VOLUME BI
Publishers' Preface; Table of Community Treaties; Table of Community Secondary Legislation; Table of United Kingdom Statutes; Table of Cases; Abbreviations.
Part B1 – Checklist
Part B2 – ECSC Treaty
Part B3 – ECSC Member Treaties
Part B4 – ECSC Non-Member Treaties
Part B5 – Euratom Treaty
Part B6 – Euratom Member Treaties
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Part B10 – EEC Treaty
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Secondary Legislation Committee reports on its first 4 months

24 documents recommended for debate

On 7 May both Houses of Parliament set up Committees to scrutinise proposals for Community legislation submitted to the Council of Ministers by the Commission, and to report on any thought to warrant consideration by Parliament before they became the subject of binding decision-taking by the Council.* The Commons Committee met for the first time on 14 May, and subsequently, in the Commons debate on Europe in June, the Foreign Secretary gave an assurance that no item referred to the House by the Committee would be finalised in Brussels until the House had a chance to discuss it.†

Faced with a mountainous backlog of 271 Community documents (194 legislative proposals and 77 other papers) to report on, and with a further 171 items later added to the pile, the Commons Committee has met every week but one since it was first convened, working through the House's Whitsun recess and the present summer recess to diminish the load. The Committee's Second Special Report (No. 258-II), issued on 20 August 1974 in the form of typescript copies, reviews the Committee's work to date and refers to the practical difficulties which have faced it.

By its 20 August meeting the Committee had reduced the number of items on its agenda to 175 proposals and 26 other documents. It had reported to the House on 192 of the items dealt with (the remaining 49 having been withdrawn for various reasons), though on 85 of the 192 it could report only that it had not examined them because they had already been adopted by the Council of Ministers. Of the 24 documents recommended for consideration by the House (see list on this page) five have so far been debated: three on economic guidelines (R/1253/74, R/1474/74 and COM(74)696) and two on regional policy (R/2055/73 and R/2474/73). They were debated in the House on 3 July on Government motions to 'take note', but amendments tabled to the substance of the documents were not selected by the Speaker for debate or for decision. The Committee has consulted the Lord President of the Council on the Speaker's ruling since it believes that the Commons 'should have the right to give its opinion both on the principles and the details of particular Community documents by debating and voting on motions and amendments thereto'.

The Report urges that an effective early-warning system should be set up which would ensure that the Committee knows in ample time exactly what is on the agenda of the next Council meeting and, with the minimum of delay, what was agreed at the last. Though aware of the difficulties, particularly the complexity and tentativeness of the Council's agenda arrangements, the Committee is anxious to avoid a situation where, through lack of warning, it may have no chance to scrutinise some proposals for Community legislation before their adoption by the Council in Brussels.

Discussing the types of document coming before it, the Committee notes that it was established to consider all papers 'published by the Commission for submission to the Council of Ministers'. The items for scrutiny have included, or will include, proposals for Council legislation (Regulations, Directives and Decisions), the draft Budget and such miscellaneous documents as policy guidelines, draft resolutions, etc. However, the Committee considers that a small number of other documents relating to certain aspects of trade and agriculture should be regarded as 'published', and it intends to pursue the matter with the Government with a view to obtaining access to them.

Continued on page 12

* For the terms of reference and the membership of the two Committees see European Community Commentary No. 12, pages 7-8.

† See article in European Community Commentary No. 13, pages 1-3.

Community documents referred to the House

R/1253/74: Draft Council Decision on the adjustment to the guidelines for economic policy for 1974.

R/2055/73: Two Regulations and one Decision on establishing a European Regional Development Fund and the creation of a Committee for Regional Policy.

R/2474/73: Regulations on:
(i) list of priority agricultural regions and zones and projects falling within programmes for the development of priority agricultural regions.
(ii) list of regions and zones eligible for aid from Regional Development Fund.

R/2746/73: Communication from the Commission concerning multinational companies in the context of Community regulations.

R/1255/74: Regulation regarding the Community quota for the carriage of goods by road between Member States.

R/1474/74: Urgent economic and monetary measures.

COM(74)696: Regulation concerning a proposed Council Decision on practical rules for the prior notification of exchange rate changes.

COM(72)202: Council Directives on the approximation of laws of the Member States relating to the making up by volume of certain prepackaged liquids and bottles used as measuring containers.

R/2628/73: Directive on the approximation of the laws of Member States relating to the making up by weight or volume of certain prepackaged products.

R/1472/74: Energy Policy.

R/127/74: Directive imposing an obligation on Member States to maintain fuel stocks for thermal-power stations.

R/2067/72: Directives on the abolition of restrictions of establishment and freedom to provide services in respect of the activities of self-employed persons in certain services incidental to transport and travel agencies and in storage and warehousing and a Directive concerning the transitional measures to be adopted.

R/599/74: Directive on forestry measures.

R/684/73: Amendments to the third Council Directive on the harmonisation of provisions laid down by law, regulation or administrative action relating to turnover tax and excise duty on imports in travels.

COM(72)1338: Regulation on the tariff treatment applicable to goods obtained by travellers from airport shops or on board aircraft, ships or hovercraft operational between two or more Member States.

R/1746/73: Sixth Council Directive on the harmonisation of legislation of Member States concerning turnover taxes: common system of value added tax: uniform basis of assessment.

COM(69)/71: Regulation on fruit juices.

R/1361/73: Directive co-ordinating the procedures for the award of public supply contracts.

R/834/73: Directive on the approximation of the laws of the Member States relating to aerosols.

R/2222/72: Directive on the approximation of the laws of the Member States relating to cosmetic products.

R/2579/73: Amendment to the above Directive.

R/1900/73: Sugar Policy.

R/1140/74: Regulation on the imposition of an export levy on certain cereal, rice and milk-based products containing added sugar in the event of sugar supply difficulties.

R/1004/74: Regulation, being an amendment completing **Reg. 1009/67** on the common organisation of the market in sugar.

R/1957/74: Sugar Policy.

EEC – your questions answered

Below we publish answers to some of the questions of general interest which businessmen put to the Department of Industry's EEC Information Unit in the past month.

The Unit was set up specifically to assist firms which are finding difficulty in obtaining information on a particular aspect of trade with other Member States of the Community. It can be contacted by a telephone call to 01-222 7877, Ext. 4301 (six lines), or by writing to the EEC Information Unit, Department of Industry, 1 Victoria Street, London SW1H 0ET.

Q. How does the UK operate the EEC offer under the Generalised System of Preferences?

A. The UK adopted the EEC Generalised System of Preferences on 1 January 1974. The majority of the regulations governing the EEC scheme were published in *Official Journal of the European Communities No. L. 358*, of 28 December 1973.

A general Community offer is made on a large number of products which, although not subject to any quota restrictions, are subject to 'ceilings'. These ceilings are usually calculated on the basis of the level of imports in previous years, and are designed to avoid possible distortion of trade. Imports under ceilings are not shared among Member States, and, when a ceiling is reached, a decision is taken at Community level as to whether the normal rate of duty in Member States should or should not be restored.

There are also regulations in Chapters 25-99 of the UK Tariff covering a number of items which are subject to tariff-free quotas. This means that imports of these goods will qualify for admission into the UK at the free GSP rate only up to the limit of the UK's share of a Community tariff quota. Thereafter imports will be admitted on payment of the appropriate non-GSP rate of duty.

A further limitation (known as the 'butoir' in the case of quotas, and the 'inner ceilings' in the case of ceilings) is that goods of any one developing country may not take up more than a certain percentage of the Community tariff quota or ceiling for the particular product.

Primary products are excluded from the EEC scheme. However, coverage of some textile products and some hydrocarbon oil products is more extensive than that previously offered by the UK scheme.

A number of developing countries are currently taking part in negotiations with a view to entering into a form of association with the EEC.* Where products from these countries benefited under the UK Generalised System of Preferences of 1 January 1972 but are not included in the 1974 EEC Generalised System of Preferences, it has been agreed that a 'standstill' on tariffs should apply until 31 January 1975. In addition GSP imports from these countries entering the UK under the standstill arrangements will not be counted against the quotas and ceilings provided for under the Community scheme.

For the other (non-standstill) developing countries which were beneficiaries under the UK scheme, the UK concessions on products wholly excluded from the Community's scheme are being phased out gradually. The concessionary rates will be calculated from the UK 1 January 1972 GSP rates of duty (generally zero), and will move progressively towards the CCT in accordance with the timetable for tariff alignment laid down in Articles 39 and 59 of the Act of Accession.

Information about the operation of the GSP scheme will be found in *HM Customs and Excise Public Notice No. 343* (revised January 1974). The Notice should be read in conjunction with Parts 10b and 11 of the UK Tariff, which give information on the products and countries benefiting from the various offers.

Details of GSP coverage and rates of duty payable can be obtained from any Customs House or office of a Collector of Customs and Excise, or from the GSP Branch, HM Customs and Excise, Adelaide House, London Bridge, London EC4R 9DB (Tel. 01-626 1515, Ext. 2294).

Customs and Excise (Tel. 01-626 1515, Ext. 2570) will supply details of the amount of quota still available at a given time.

Q. Can you explain the documentation required for sending postal consignments to the EEC?

A. For goods that are in free circulation in the UK the following documents are required, irrespective of the destination in the EEC:

Postal parcels – Customs Declaration C2/CP3 (Benelux countries require two copies) and a Despatch Note (also known as the Postal Consignment Note or Bulletin d'Expedition).

Letter-post packets – A Despatch Note is not required, but a Customs Declaration has to be made on Form C2/CP3 unless the value is £40 or less, in which case a green Customs/Douane label (Form C1) may be used in lieu of the C2/CP3 for all destinations.

Goods in free circulation in the UK are entitled to the reduced intra-Community rates of duty applicable on importation into another EEC country. Certain items exported to Denmark and the Republic of Ireland are entitled to more favourable rates of duty, and in these cases the following alternative procedures should be adopted:

Denmark – If the goods are valued at £50 or less, a Despatch Note should be sent, together with Customs Declaration C2/CP3 endorsed to the effect that 'All the above articles are of Anglo-Danish origin'. If the value exceeds £50, a C2/CP3 is required, and an invoice endorsed in accordance with the Anglo-Danish Free Trade Arrangements. The terms of the Arrangements are set out in Customs Notice 830.

Irish Republic – A combined Despatch Note/Customs Declaration (PP69) can be used, supported by an Origin Declaration as shown on page 48 of the Post Office Guide, or by the Special Certificate of Origin prescribed by the Irish Republic and obtainable from HM Customs and Excise.

For the minority of goods not in free circulation in the UK, a Customs yellow label C1130 should be affixed to the package, as should any accompanying documents (eg, an invoice). Goods not in free circulation will normally be under Customs control. If in any doubt about free circulation, it is best to seek the advice of the local Customs and Excise Office.

The aim of the postal service is to clear most packages through Customs on the basis of information supplied by the exporter on the Customs Declaration Form and without bothering the importer. A copy of the invoice to support the declaration will often facilitate clearance, especially where there is liability for duty. The Post Office Guide lists those countries which have made a specific request for an invoice.

Copies of the Post Office Guide can be purchased – price 20p (50p including postal amendment service) – from HMSO, PO Box 569, London SE1. Supplies of Forms C2/CP3 and PP69, Despatch Notes and green labels are obtainable from District Post Offices or from Overseas Post Division, Postal Headquarters, St. Martin le Grand, London EC1A 1HQ.

Q. Where can I find the English text of the European Patent Convention?

A. The Convention has been published in a trilingual edition (English, French and German) by the Government of the Federal Republic of Germany. It can be ordered in the UK from the Sales Branch of the Department of Trade's Patent Office at Orpington, Kent. The price, including postage, is £4.00.

* See article on page 3 of this issue.

The Community's Environment Action Programme: progress to date

by P. B. Allan, Industrial and Commercial Policy Division, Department of Industry

It is now over a year since the Council of Ministers approved a comprehensive Environment Action Programme which outlined plans to combat pollution of the environment throughout the Community. Articles have appeared in previous issues of *European Community Commentary* briefly describing the Programme and its aims, and going into more detail on particular aspects – eg, Criteria Studies, Sectoral Studies. The present article reviews progress made to date in implementing the Programme.

Criteria Studies

The aim of this Section of the programme (on which a substantial article appeared in *European Communities Commentary* No. 6, Nov. 1973) is to establish, for given substances, 'the relationship between the exposure of a target to pollution or nuisance and the risk and the magnitude of the adverse or undesirable effect resulting from the exposure in given circumstances'. The target may be man or some other component of the environment, and both exposure and effect are to be expressed in quantitative terms where this is possible.

Substances chosen for study in the first instance are listed in the Environment Programme. Priority has been given to: lead (in air), carbon monoxide and nitrogen oxide, sulphur dioxide and particulates (in air), organic phosphorus and halogenated organic compounds, non-persistent organic hydrocarbons (in water), asbestos and vanadium. The studies should be of interest to many sectors of Government and industry. Reports on at least some of these pollutants should be ready by the end of the year.

A provisional list has been drawn up of second-category pollutants for study, but, given that study of first-category pollutants has not yet been completed, there is no immediate prospect of moving on to other substances.

Water quality

One of the priority objectives for completion by 31 December 1974 is the establishment of *minimum standards* for the quality of water, relating particularly to the presence of lead, mercury, cadmium, organochlorine compounds, poisonous chemical substances and harmful micro-organisms. Work has been under way for some time on standards for water intended for human consumption, and the Commission is hoping to forward formal proposals to the Council on this subject before the end of the year. In January this year the Commission produced a draft Directive dealing with the quality of surface water intended for abstraction for use as drinking water, and specifying mandatory and guide maximum levels for various substances, depending on the treatment to be applied to the water. Other, related, Directives are being prepared to cover the quality of fresh water for bathing, sea-bathing water, and sea water for the cultivation of shellfish.

Product standards

The aim is to develop Community standards harmonising the differences between national standards for widely traded products whose use might have harmful consequences for man or the environment; and by so doing also to eliminate possible technical barriers to trade.

To date the Commission has issued draft Directives – currently under consideration – on the lead content of petrol and the sulphur content of gas oils; and a further proposal on the sulphur content of heavy fuel oils is now in the early stages of preparation. Other Directives in preparation include measures dealing with the composition and use of paints, varnishes and certain toxic or dangerous substances (including PCBs); the noise level of construction machinery; and test methods for the bio-degradability of non-ionic detergents.

A study has also been commissioned on the problems raised by the certification of new substances and synthetic products prior to their marketing.

Technical Progress committees are in process of adapting the existing standards for noise emissions and exhaust gases from motor vehicles to reflect changes in technology since these measures were first approved.

Sectoral Studies

The studies (see article in *European Community Commentary* No. 2, July 1973) were undertaken to provide detailed information on individual industries which pose particular pollution problems: in the words of the Commission, 'to endeavour to work out technical or other measures which could reduce, eliminate or prevent the pollutant emissions or nuisances stemming from each of the main polluting industries'.

Preliminary work was already in progress early last year before the Council adopted the Environment Programme. Three pilot studies are now under way on the paper and pulp, the titanium dioxide and the iron and steel industries. The pulp industry study is the most advanced. The Commission has been hoping – although now this seems rather optimistic – that an initial report containing specific proposals for the reduction of pollution will be published this month. Work on the other studies is still at a very early stage.

Industrial waste

The Commission has given considerable thought to the difficulties arising from the disposal of industrial waste.

A draft Directive on the collection, storage and treatment of used oils was issued by the Commission in March and is now under consideration by the Council. A framework Directive dealing with general waste disposal is at an earlier stage and formal proposals are not expected to go to the Council before the autumn. The particular disposal difficulties posed by toxic or dangerous wastes are currently being studied by an expert working group, with a view to advising whether common procedures might be useful in this area.

Marine pollution

This has always been a subject of serious concern to the Commission, which at the present time attaches especial importance to the participation of the Community (in addition to the separate participation of eight of the Member States) in the Paris Convention on the pollution of the sea from land-based sources. The Convention, which became open for signature in June this year, seeks to control pollution in the North East Atlantic (including the Celtic and North Seas) arising from land-based discharges either direct into the sea or to rivers and estuaries.

Under the terms of the Convention (which was signed by the UK last month), contracting parties undertake to eliminate or strictly control pollution caused by certain named substances. Some of these controls will relate to activity under the Environment Programme – for instance, quality objectives for fresh water and sea water (see 'Water quality' above) – and will entail a common Community approach.

The Commission was in attendance at the first session of the UN Law of the Sea Conference at Caracas this year.

Economic matters

A draft Recommendation on the allocation of pollution control costs was sent to the Council by the Commission in March of this year. This embodies the 'polluter-pays principle', a concept already familiar in this country, which provides that the full costs of the control

Continued on page 12

Economic Indicators of the EEC

These tables have been prepared for the convenience of users who do not have access to the sources themselves; international publications (as indicated) have been used, supplemented by later reports where possible. In addition to the Member States of the EEC, the United States and Japan have been included for comparison.

The form of presentation adopted – indicators by subject – is for convenience only, and it must not be assumed that the indicators in the same table for different countries are strictly comparable. An attempt has been made to indicate major differences of definition, but the coverage and methods of collection vary considerably; this is partly due to different administrative procedures in various countries. Fuller details may be obtained from the sources indicated, and from the national publications of the countries concerned.

An extensive bibliography – 'Sources of Statistics: 2. The European Economic Community' – which lists publications in the Statistics and Market Intelligence Library of the Department of Trade, is obtainable on request to the library at Export House, 50 Ludgate Hill, London EC4M 7HU (Tel: 01-248 5757, ext. 368). 'Statistical News' No. 21 (May 1973), published by the Central Statistical Office, contains a selected bibliography of statistical publications of the Commission of the European Communities.

TABLE 1 **Industrial Production** (Excluding construction) Seasonally adjusted — Indices 1970 = 100

	Belgium	Luxem-bourg	France[1]	German F.R.	Ireland[2]	Italy[4]	Nether-lands	United Kingdom	EEC[3,4]	*United States*	*Japan*
Weights in EEC	3.8	0.3	23.5	36.5	0.7	12.6	4.4	18.2	100.0	—	—
Weights in total	1.5	0.1	9.0	14.0	0.2	4.9	1.7	7.0	36.4	*48.4*	*13.1*
1968	88	88	84	83	90	91	81	96	87	*99*	*74*
1969	97	100	94	94	97	94	91	100	95	*104*	*88*
1970	100	100	100	100	100	100	100	100	100	*100*	*100*
1971	103	99	104	102	105	100	107	100	102	*100*	*103*
1972	109	103	115	106	109	104	116	102	108	*108*	*110*
1973	115	115	120	114	120	114	125	111	115	*118*	*129*
1972 1st quarter	107	97	112	103	106	103	113	97	105	*103*	*106*
2nd quarter	109	102	113	105	106	104	115	102	107	*107*	*108*
3rd quarter	107	104	116	105	110	102	116	103	108	*109*	*111*
4th quarter	114	108	120	110	114	108	120	106	112	*113*	*116*
1973 1st quarter	115	115	118	113	120	105	122	110	113	*115*	*124*
2nd quarter	113	112	120	114	119	115	123	110	115	*117*	*128*
3rd quarter	114	114	122	113	119	118	125	111	116	*119*	*131*
4th quarter	118	120	122	116	121	117	129	110	117	*119*	*135*
1974 1st quarter	126	125	125	115		121	130	104	117	*117*	*132*
2nd quarter			125	115				109		*118*	
1973 April	114	111	116	114		112	123	109	114	*116*	*126*
May	115	113	123	113		114	123	109	115	*117*	*129*
June	111	112	121	114		118	123	110	116	*118*	*129*
July	114	115	123	109		120	122	111	115	*119*	*129*
August	113	114	123	115		117	126	110	117	*119*	*131*
September	114	115	120	116		118	127	111	117	*119*	*132*
October	116	116	127	115		118	130	112	117	*119*	*135*
November	121	126	123	116		117	129	111	118	*119*	*136*
December	116	117	119	116		117	128	106	116	*119*	*134*
1974 January	129	125	125	114		124	130	100	116	*118*	*133*
February	126	128	126	117		119	131	104	118	*117*	*133*
March	121	121	123	114		120	131	107	117	*116*	*131*
April	122 (e)	118	123	114		125	130	109	118	*117*	*129*
May		117	126	114		122 (e)	130	110		*118*	*132*
June			127	117 (e)				109		*118*	
July										*119*	
% change latest three months:											
On previous three months	+0.8	−3.8	+0.5	Nil	+1.7	+1.9	+0.5	+5.5	+1.1	*+0.3*	*−2.0*
On a year earlier	+7.0	+4.1	+4.4	+1.2	+6.1	+11.2	+6.5	Nil	+3.5	*+0.5*	*+2.6*

[1]Excluding clothing, wood products and furniture.
[2]Mining and manufacturing only.
[3]Excluding Denmark.
[4]Revised figures for Italy from beginning of 1973.
(e) Estimated

Source: 'OECD Main Economic Indicators'

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TABLE 2 **Unemployment** seasonally adjusted

Indices 1970 = 100

	Belgium[1,2]	Den-mark[1,3]	France[2,4]	German F.R.[5]	Ireland[1]	Italy[6]	Nether-lands[2,5]	United Kingdom[5]	*United States*[6]	*Japan*[7]
1968	147	163	97	218	88	113	147	95	*69*	*108*
1969	120	129	85	120	86	108	115	94	*69*	*104*
1970	100	100	100	100	100	100	100	100	*100*	*100*
1971	100	125	129	126	100	100	135	129	*122*	*111*
1972	123	126	145	166	114	114	235	142	*118*	*119*
1973	130	84	150	189	104	109	239	102	*105*	*107*
1972 1st quarter	114	139	142	143	114	106	228	149	*123*	*119*
2nd quarter	120	140	146	181	114	113	228	147	*120*	*120*
3rd quarter	125	124	148	192	117	121	241	141	*118*	*122*
4th quarter	130	101	145	176	114	117	243	132	*113*	*117*
1973 1st quarter	125	41	140	141	107	107	243	117	*108*	*110*
2nd quarter	127	107	144	187	103	133	237	106	*106*	*108*
3rd quarter	132	101	158	214	106	100	237	99	*105*	*108*
4th quarter	133	92	161	254	102	96	239	86	*104*	*102*
1974 1st quarter	130	54	164	258	102	86	270	96	*115*	*106*
2nd quarter	135	139	162	410		87	268	97	*114*	
1973 April	127	132	143	179	102	133	241	108	*108*	*107*
May	127	83	143	189	102		235	107	*106*	*110*
June	128	105	145	194	105		235	104	*105*	*108*
July	131	107	153	207	105	100	237	102	*103*	*107*
August	131	98	157	216	105		237	99	*103*	*110*
September	134	99	163	219	107		235	95	*108*	*106*
October	137	90	161	237	102	96	235	90	*100*	*106*
November	132	93	159	252	102		235	86	*104*	*104*
December	131	93	162	274	102		248	83	*107*	*96*
1974 January	130	78	164	228	105	86	270	94	*116*	*105*
February	130	39	164	252	105		267	97	*116*	*105*
March	130	46	162	295	102		270	96	*113*	*107*
April	132	108	162	385	102	87	265	96	*111*	*110*
May	134	133	161	410	105		267	96	*115*	*112*
June	139	175	164	435			272	99	*116*	
July	146 (e)			469				102	*119*	
August								107		
Rate %	2.6	1.7	2.0	2.6	3.7	2.7	2.6	2.4	*5.2*	*1.1*
% change latest three months										
On previous three months	+7.2	+56.1	−0.9	+40.9	−0.8	+1.3	−0.3	+3.1	*+2.8*	*+7.2*
On a year earlier	+10.0	+31.4	+12.9	+122.4	nil	−34.2	+13.1	−4.9	*+11.6*	*+0.7*

Note: Figures of total unemployment and unemployment rates are very sensitive to the particular measures used and the sources from which they are obtained. The figures in this table to a large extent reflect the different administrative systems and social-security provisions of the countries concerned.

[1] Insured unemployed. [2] Change of basis during period. [3] Monthly data are weekly averages. [4] Unfilled applications. [5] Registered unemployed.
[6] Based on results of sample survey. [7] Unemployment-insurance beneficiaries.
[8] Numbers in latest month available as % of total employees (UK) and of total labour force (others). (e) estimated. Source: 'OECD Main Economic Indicators'

TABLE 3 **Exports (fob)** Special trade,[1] seasonally adjusted

US$ million*

	Belgium/ Luxem-bourg	Den-mark[2]	France	German F.R.	Ireland[2]	Italy	Nether-lands	United King-dom[2]	EEC	*United States*[2]	*Japan*[2]
1968	8,160	2,580	12,708	24,840	792	10,188	8,340	15,348	82,956	*34,416*	*12,972*
1969	10,068	2,952	15,024	29,052	888	11,724	9,960	17,520	97,200	*37,992*	*15,984*
1970	11,592	3,288	17,940	34,188	1,032	13,188	11,772	19,356	112,356	*43,224*	*19,320*
1971	12,081	3,609	20,592	39,009	1,308	15,177	13,953	22,356	128,084	*44,211*	*23,994*
1972	15,995	4,330	25,739	46,208	1,610	18,535	16,386	24,340	153,152	*49,667*	*28,511*
1973	22,369	6,119	35,948	67,487	2,122	22,329	23,867	30,525	211,033	*71,465*	*36,853*
1972 1st quarter	3,582	1,056	5,913	11,025	369	4,368	3,945	6,044	36,302	*12,045*	*6,675*
2nd quarter	3,821	1,085	6,337	11,472	385	4,487	4,149	6,378	38,114	*11,676*	*6,656*
3rd quarter	3,919	1,055	6,445	11,270	413	4,556	4,025	5,389	37,072	*12,529*	*7,261*
4th quarter	4,290	1,136	7,082	12,420	436	5,165	4,267	6,529	41,325	*13,505*	*7,891*
1973 1st quarter	4,721	1,322	7,630	14,074	467	4,279	5,573	6,865	44,931	*15,335*	*8,266*
2nd quarter	5,273	1,409	8,665	16,106	509	5,170	5,872	7,672	50,676	*16,775*	*8,752*
3rd quarter	6,302	1,729	9,931	18,849	547	6,212	6,123	8,059	57,775	*18,318*	*9,336*
4th quarter	6,073	1,661	9,889	18,478	599	6,669	6,360	7,929	57,651	*20,409*	*10,499*
1974 1st quarter	6,159 (e)	1,805	10,320	20,641	591	6,375	7,338	8,326	61,708	*22,319*	*11,273*
2nd quarter			11,619	22,431		6,867		9,912		*24,220*	*13,914*
1973 April	1,761	419	2,673	5,122	162	1,454	1,793	2,530	15,914	*5,492*	*2,909*
May	1,740	494	2,891	5,550	172	1,685	2,027	2,459	17,018	*5,557*	*2,920*
June	1,772	496	3,101	5,434	175	2,031	2,052	2,683	17,744	*5,726*	*2,923*
July	2,007	593	3,369	6,008	179	2,147	2,069	2,652	19,024	*5,860*	*3,167*
August	2,170	485	3,228	6,456	185	1,966	1,960	2,660	19,110	*6,044*	*2,960*
September	2,125	651	3,334	6,385	183	2,098	2,094	2,747	19,617	*6,414*	*3,209*
October	2,102	563	3,311	6,766	201	2,054	2,268	2,653	19,918	*6,584*	*3,280*
November	1,885	532	3,394	6,474	186	1,958	2,193	2,703	19,319	*6,871*	*3,689*
December	2,086	566	3,184	5,239	212	2,657	1,897	2,573	18,414	*6,954*	*3,530*
1974 January	1,926	530	3,440	6,971	178	1,902	2,223	2,433	19,603	*7,111*	*3,626*
February	2,023 (e)	633	3,375	6,757	207	2,140	2,500	2,863	20,498	*7,606*	*3,975*
March	2,210 (e)	642	3,505	6,913	205	2,333	2,615	3,030	21,453	*7,674*	*3,672*
April	2,601 (e)	603	3,634	7,683	212	2,399	2,438 (e)	3,221		*8,234*	*4,332*
May		638	3,850	8,142		2,075 (e)		3,317		*7,630*	*4,785*
June			4,135	6,606		2,393 (e)		3,374		*8,356* (e)	*4,797* (e)
July			4,082 (e)	7,829 (e)				3,458		*8,307* (e)	*4,855* (e)
% change in dollar terms latest three months											
On previous three months	+15.9	+8.9	+14.8	+5.7	+8.3	+7.7	+19.6	+11.4	+6.8	*+3.3*	*+21.5*
On a year earlier	+33.7	+37.7	+28.9	+32.9	+25.6	+32.8	+34.7	+30.2	+37.0	*+41.7*	*+61.5*
% change in national currencies latest three months											
On previous three months	+11.0	+2.8	+13.0	+4.0	+7.1	+8.0	+15.1	+8.4	+14.4[3]	*+3.3*	*+21.5*
On a year earlier	+18.1	+35.1	+45.3	+32.1	+32.5	+45.0	+23.1	+38.4	+33.7	*+41.7*	*+75.7*

[1] For most purposes special trade may be defined as trade excluding re-exports. [2] General trade. [3] Weighted average of percentage changes in national currencies.
* All values are expressed in US dollars, making use of IMF parity rates as quoted in 'OECD Main Economic Indicators'.
(e) estimated.
Source: United Kingdom: Department of Trade
All others: 'OECD Main Economic Indicators'

TABLE 4 **Imports (cif)** Special trade[1], seasonally adjusted

US$ million*

	Belgium/ Luxem-bourg	Den-mark[2]	France	German F.R.	Ireland[2]	Italy	Nether-lands	United Kingdom[2]	EEC	*United States*[2,3]	*Japan*[2]
1968	8,304	3,216	13,980	20,148	1,176	10,248	9,288	18,960	85,320	*33,108*	*12,984*
1969	9,984	3,804	17,388	24,924	1,416	12,444	10,992	19,956	100,908	*36,048*	*15,024*
1970	11,352	4,380	19,116	29,808	1,572	14,940	13,392	21,720	116,280	*39,960*	*18,876*
1971	12,390	4,476	21,261	34,356	1,838	16,026	15,159	23,897	129,403	*45,633*	*19,716*
1972	14,903	4,971	26,665	39,783	2,113	19,284	17,142	27,831	152,692	*55,800*	*23,463*
1973	21,762	7,447	37,604	54,536	2,755	27,978	24,357	38,836	215,225	*69,121*	*38,316*
1972 1st quarter	3,573	1,185	6,354	9,435	495	4,458	4,095	6,848	36,443	*13,455*	*5,400*
2nd quarter	3,630	1,136	6,454	9,997	511	4,610	4,234	6,954	37,526	*13,200*	*5,456*
3rd quarter	3,721	1,301	6,606	9,836	511	4,895	4,233	6,530	37,633	*14,056*	*5,955*
4th quarter	3,979	1,349	7,251	10,515	596	5,321	4,580	7,499	41,090	*15,089*	*6,652*
1973 1st quarter	4,704	1,570	7,922	11,845	618	5,355	5,416	8,275	45,706	*16,136*	*7,355*
2nd quarter	5,241	1,753	9,004	13,168	657	6,700	5,687	9,426	51,636	*16,821*	*9,269*
3rd quarter	5 896	2,026	10,358	14,553	744	7,837	6,717	10,238	58,369	*17,433*	*10,122*
4th quarter	5,921	2,098	10,319	14,970	735	8,086	6,537	10,895	59,514	*18.680*	*11,570*
1974 1st quarter	6,737	2,363	11,931	15,179	839	9,351	7,285 (e)	12,100	65,591	*21,704*	*14,036*
2nd quarter			13,354	17,678		9,991		14,246		*25,160*	*16,561*
1973 April	1,639	503	2,662	4,031	209	1,906	1,878	2,884	15,712	*5,356*	*2,881*
May	1,791	620	3,102	4,514	214	2,190	1,892	3,253	17,576	*5,700*	*3,093*
June	1,811	630	3,240	4,623	234	2,604	1,917	3,289	18,348	*5,765*	*3,290*
July	1,902	676	3,539	4,844	263	2,393	2,375	3,294	19,286	*5,821*	*3,256*
August	1,967	678	3,383	4,904	246	2,593	2,093	3,468	19,332	*5,991*	*3,587*
September	2,027	672	3,436	4,805	235	2,851	2,249	3,476	19,751	*5,621*	*3,279*
October	2,097	739	3,614	5,403	257	2,599	2,332	3,746	20,787	*5,969*	*3,621*
November	1,975	737	3,432	5,112	254	2,205	2,157	3,625	19,497	*6,628*	*3,840*
December	1,849	622	3,273	4,455	224	3,282	1,999	3,526	19,230	*6,083*	*4,109*
1974 January	2,181	784	3,755	5,074	233	2,439	2,196	3,502	20,164	*6,467*	*3,987*
February	2,139 (e)	776	3,968	4,814	272	3,337	2,287	4,130	21,723	*7,392*	*5,135*
March	2,417 (e)	803	4,208	5,291	334	3,575	2,608	4,468	23,704	*7,845*	*4,914*
April	2,574 (e)	818	4,394	5,666	327	3,747	2,340 (e)	4,543		*8 141*	*5,431*
May		724	4,635	6,390		2,930 (e)		4,799		*8,407*	*5,701*
June			4,325	5,622		3,314 (e)		4,904		*8,612* (e)	*5,429* (e)
July			4,726 (e)	5,998 (e)				4,926		*9,036* (e)	*5,721* (e)
% change in dollar terms latest three months											
On previous three months	+18.7	+7.5	+8.9	+14.2	+31.2	+6.8	+14.0	+11.3	+10.2	*+11.5*	*+8.9*
On a year earlier	+48.5	+42.9	+38.5	+28.8	+47.6	+49.1	+30.1	+48.7	+43.5	*+50.7*	*+74.7*
% change in national currencies latest three months											
On previous three months	+13.7	+1.5	+7.2	+12.4	+29.6	+7.1	+9.7	+8.3	+18.1	*+11.5*	*+8.9*
On a year earlier	+31.1	+40.2	+56.1	+28.0	+55.7	+62.8	+18.9	+58.1	+42.6	*+50.7*	*+90.1*

[1] For most purposes special trade may be defined as trade excluding re-exports. [2] General trade. [3] *fob.* [4] Weighted average of percentage changes in national currencies.
* All values are expressed in US dollars with the use of IMF parity rates as quoted in 'OECD Main Economic Indicators'.
(e) estimated. Source: United Kingdom: Department of Trade. All others: 'OECD Main Economic Indicators'

TABLE 5 **Balance of Payments on Current Account**

US$ million (unadjusted)

	Belgium/ Luxem-bourg	Den-mark	France	German F.R.	Ireland	Italy	Nether-lands	United Kingdom	EEC	*United States*	*Japan*
1968	28	−216	−1,059	2,726	− 57	2,627	65	− 682	3,432	*− 482*	*1,048*
1969	74	−410	−1,798	1,609	−190	2,339	31	1,068	2,723	*−1,036*	*2,119*
1970	715	−544	− 152	731	−185	762	−518	1,661	2,470	*355*	*1,970*
1971	1,004	−422	525	317	205	1,570	−234	2,588	5,143	*−3,817*	*5,797*
1972	1,136	− 65	285	397	−162	1,451	1,051	221	4,314	*−9,807*	*6,623*
1973	1,082	−458		2,891		−2,526	1,719 (e)	−3,569		*667*	*− 52*
1972 1st quarter	279	− 39	− 324	− 52		607	5	− 73		*−1,853*	*958*
2nd quarter	215	56	445	−125		699	267	476		*−2,473*	*1,212*
3rd quarter	235	− 36	− 3	−485		577	382	355		*−3,331*	*2,084*
4th quarter	407	− 46	167	1,060		−433	397	173		*−1,032*	*2,369*
1973 1st quarter	345	−147	− 191	613		−914	304	− 890		*− 266*	*482*
2nd quarter	226	−179	426	1,227		−839	632	− 471		*− 867*	*−402*
3rd quarter	200	69	−432	703		−330	− 17	− 603		*−1,045*	*115*
4th quarter	318	−201		961		−443	800 (e)	−1,165		*2,845*	*−255*
1974 1st quarter				2,889				−2,457		*1,094*	*−3,262*
2nd quarter				2,656				−2,472			*−2,487*

Source: UK: Central Statistical Office. All others: IMF International Financial Statistics

TABLE 6 **Export Unit Values of Manufactures**

Indices 1970 = 100

	Belgium/ Luxem-bourg		France		German F.R.		Italy		Nether-lands[1]		United Kingdom		*United States*	*Japan*	
	US$	Bfrs.	US$	frs.	US$	D.M.	US$	lire	US$	Gdrs.	US$	£	US$	US$	Yen
1968	91	91	96	85	88	96	92	92	95	95	90	90	*91*	*90*	*90*
1969	95	95	97	90	92	93	95	95	97	97	93	93	*95*	*95*	*95*
1970	100	100	100	100	100	100	100	100	100	100	100	100	*100*	*100*	*100*
1971	101	98	106	106	108	103	106	107	107	103	110	109	*102*	*104*	*101*
1972	115	101	116	107	119	104	115	107	117	105	122	117	*105*	*115*	*98*
1973											130	127	*113*	*141*	*106*
1972 1st quarter	113	100	114	105	118	104	114	106	118	106	123	114	*104*	*112*	*96*
2nd quarter	117	103	114	105	118	104	114	106	117	105	125	116	*105*	*115*	*98*
3rd quarter	114	100	116	107	122	107	116	107	117	105	121	118	*104*	*116*	*99*
4th quarter	116	103	118	108	119	104	116	108	118	106	117	119	*106*	*119*	*102*
1973 1st quarter			127	111	128	105	120	111	126	107	122	121	*107*	*125*	*96*
2nd quarter			142	113	141	106	122	116	138	108	131	124	*110*	*138*	*101*
3rd quarter			153	115	165	107	132	121	156	113	133	129	*115*	*147*	*108*
4th quarter											134	135	*119*	*154*	*118*
1974 1st quarter													*127*		
% change latest 3 months:															
On previous 3 months	+1.8	+3.0	+7.7	+1.8	+17.0	+0.9	+8.2	+4.3	+13.0	+4.6	+0.8	+4.7	*+6.7*	*+4.8*	*+9.3*
On a year earlier	+8.4	+4.0	+31.9	+7.5	+35.2	Nil	+13.8	+13.1	+33.3	+7.6	+14.5	+13.5	*+18.7*	*+29.4*	*+15.7*

(e) estimated. Source: Dollar value: 'United Nations Monthly Bulletin'. National currency: Dollar values converted at OECD exchange rates as quoted in 'Series A'
[1] No quarterly series available for 1971.

TABLE 7 **Consumer prices** All goods and services

Indices 1970 = 100

	Belgium[1]	Luxembourg[1]	Denmark	France[2]	German F.R.	Ireland	Italy	Netherlands	United Kingdom	*United States*	*Japan*[2]
1968	92	93	91	89	93	86	93	89	90	*90*	*88*
1969	96	96	94	95	96	92	95	96	94	*94*	*93*
1970	100	100	100	100	100	100	100	100	100	*100*	*100*
1971	104	105	106	105	105	109	105	108	109	*104*	*106*
1972	110	110	113	112	111	118	111	116	117	*108*	*111*
1973	118	117	124	120	119	132	123	125	128	*114*	*124*
1972 1st quarter	108	108	110	109	109	115	108	113	114	*106*	*108*
2nd quarter	109	109	112	110	110	117	109	115	116	*107*	*111*
3rd quarter	111	111	114	113	112	120	111	116	118	*108*	*111*
4th quarter	113	113	116	115	114	122	114	119	121	*109*	*113*
1973 1st quarter	115	114	118	116	116	126	117	121	123	*111*	*116*
2nd quarter	117	117	122	118	119	130	122	125	127	*113*	*123*
3rd quarter	118	117	125	121	120	133	124	126	129	*116*	*126*
4th quarter	121	119	129	124	122	137	128	129	133	*118*	*131*
1974 1st quarter	125	123	134	129	125	144	135	132	139	*122*	*145*
2nd quarter	130	127	139	134	127	151	141	136	147	*125*	*151*
1973 April	116	116	120	117	118		120	124	126	*112*	*121*
May	117	117	122	118	119	130	122	125	127	*113*	*123*
June	117	117	123	119	120		123	125	128	*114*	*123*
July	118	117	124	120	120		124	125	128	*114*	*124*
August	118	117	124	121	119	133	124	126	129	*116*	*125*
September	119	118	126	122	120		125	127	130	*117*	*129*
October	120	118	127	123	121		126	128	132	*118*	*129*
November	120	119	129	125	122	137	128	129	133	*118*	*130*
December	122	120	131	125	123		129	130	134	*119*	*135*
974 January	123	121	134	127	124		132	130	137	*120*	*141*
February	125	124	134	129	125	144	134	131	139	*122*	*146*
March	127	124	135	131	125		138	133	141	*123*	*147*
April	128	126	137	133	126		139	135	145	*124*	*151*
May	130	127	139	134	127	151	141	136	147	*125*	*151*
June	132	128	142	136	127		143	136	149	*126*	*152*
July	134 (e)				128		147				
% change latest three months:											
On previous three months	+4.4	+3.2	+3.7	+4.3	+1.5	+4.9	+4.9	+3.2	+4.9	*+2.8*	*+4.7*
On a year earlier	+12.8	+8.5	+14.2	+13.8	+7.0	+16.2	+17.2	+8.8	+16.4	*+11.1*	*+23.9*

[1] Excluding rent. [2] Change of basis during period. (e) estimated.

Source: 'OECD Main Economic Indicators'

TABLE 8 **Value of retail sales** Current prices, seasonally adjusted

Indices 1970 = 100

	Belgium[1]/ Luxembourg	Denmark	France[2]	German F.R.[3]	Ireland[4]	Italy[6]	Netherlands	Great Britain[5]	*United States*	*Japan*
1968	83	82	88	82	83	84	80	89	*92*	*80*
1969	90	90	97	90	91	90	89	93	*95*	*89*
1970	100	100	100	100	100	100	100	100	*100*	*100*
1971	108	108	104	111	111	111	108	109	*109*	*110*
1972	120	119	110	120	125	125	121	123	*119*	*118*
1973	138	134	117	129	148	152	131	139	*134*	*145*
1972 1st quarter	115	113	107	117	119	109	116	116	*114*	*111*
2nd quarter	117	118	108	118	122	115	120	119	*117*	*114*
3rd quarter	122	121	111	123	126	118	122	125	*120*	*120*
4th quarter	126	123	110	122	132	158	124	130	*125*	*124*
1973 1st quarter	133	128	112	130	141	123	128	135	*132*	*135*
2nd quarter	134	129	116	128	147	141	130	133	*132*	*139*
3rd quarter	135	137	114	128	149	140	132	140	*136*	*147*
4th quarter	145	142	124	130	152	204	137	147	*137*	*156*
1974 1st quarter		144	128	135	160			148	*138*	*157*
2nd quarter			130					153	*142*	
1973 January	132	127	112	127	137	115	126	131	*130*	*131*
February	135	128	113	133	145	113	130	135	*132*	*134*
March	134	128	111	128	143	141	127	139	*134*	*139*
April	130	128	111	129	142	142	124	131	*132*	*138*
May	135	127	120	129	148	144	131	132	*133*	*139*
June	134	134	115	127	151	139	132	136	*132*	*141*
July	133	135	114	129	143	137	130	138	*137*	*145*
August	133	137	113	128	158	123	133	139	*135*	*145*
September	139	139	116	128	147	161	132	141	*136*	*151*
October	144	141	126	132	151	183	137	146	*138*	*153*
November	144	141	120	129	155	177	135	147	*137*	*159*
December	148	143	124	129	151	253	138	149	*135*	*155*
1974 January	150	142	130	135	154	153	135	147	*137*	*160*
February		146	128	135	167	153	139	150	*138*	*156*
March		145	125	134	158			152	*140*	*154*
April		146	126	135	169			151	*142*	*154*
May		149	137	135				151	*143*	
June			128					157 (e)	*142*	
% change latest three months:										
On previous three months	+6.3	+2.1	+1.6	+1.3	+7.4	+7.3	+2.0	+2.7	*+2.9*	*−2.1*
On a year earlier	+16.0	+14.9	+12.1	+4.7	+15.4	+52.3	+8.4	+15.0	*+7.6*	*+12.9*

[1] Department stores. [2] Department and chainstores. [3] Excluding West Berlin. [4] Average weekly sales. [5] Excluding motor vehicles.
[6] Revised series, including chainstores.

Source: 'OECD Main Economic Indicators'.

TABLE 9 Earnings/wages per head in manufacturing Indices 1970 = 100

	Belgium/ Luxem-bourg	Den-mark[1, 2, 8]	France[6]	German F.R.[6] †	Ireland[2]	Italy[7]	Nether-lands[3]	United Kingdom†	*United States*[4]	*Japan*[5] †
1968	84	81	82	79	76	78	82	81	*90*	*73*
1969	92	90	91	87	86	83	90	89	*95*	*85*
1970	100	100	100	100	100	100	100	100	*100*	*100*
1971	111	115	110	116	116	113	112	111	*106*	*114*
1972	127	129	120	121	133	124	126	126	*113*	*132*
1973	147	154	135	136	159	154	142	143	*121*	*163*
1971 1st quarter	107	108	104	108	110	109	107	108	*104*	*108*
2nd quarter	110	114	107	109	114	111	110	111	*106*	*111*
3rd quarter	112	117	110	113	118	114	114	112	*106*	*116*
4th quarter	115	121	113	112	122	116	116	115	*108*	*117*
1972 1st quarter	122	123	115	116	127	119	122	121	*111*	*123*
2nd quarter	124	128	118	120	131	121	124	124	*112*	*129*
3rd quarter	127	130	121	122	135	126	128	127	*113*	*131*
4th quarter	132	134	125	126	140	130	129	131	*116*	*138*
1973 1st quarter	141	137	129	130	145	137	137	134	*118*	*146*
2nd quarter	145	150	133	135	157	151	140	139	*120*	*155*
3rd quarter	149	160	138	137	164	161	146	144	*122*	*162*
4th quarter	154	168	143	141	168	168	148	150	*124*	*175*
1974 1st quarter		174	147	142		176	158	147	*126*	*173*
2nd quarter									*128*	
% change latest three months:										
On previous three months	+3.4	+3.6	+2.9	+0.7	+2.4	+4.6	+6.8	−2.0	*+1.6*	*−1.1*
On a year earlier	+16.7	+27.0	+13.9	+9.2	+20.0	+27.9	+15.3	+9.7	*+6.7*	*+19.3*

† Seasonally adjusted.
[1] Including mining. [2] Earnings. [3] Hourly earnings industry: males. [4] Gross hourly earnings per productive worker. [5] Monthly earnings in manufacturing: regular workers.
[6] Wages and salaries per employed person in industry, excluding construction, public gas and electricity undertakings. [7] Hourly-rates times average daily hours worked.
[8] Revised series.
Source: All countries 'OECD Main Economic Indicators', except German Federal Republic ('Monatsberichte der Deutschen Bundesbank', Reihe 4), Italy ('I.L.O. Yearbook' and 'M.E.I.') and United Kingdom ('Department of Employment Gazette').

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Commons Scrutiny Committee reports

Continued from page 5

The Committee also considers that its activities are being inhibited by lack of back-up staff and suitable accommodation, and is seeking the Government's approval for the provision of both specialist support for the Committee as a whole and clerical/research assistance for each Committee member.

The Committee is breaking ground new to the Parliament scene. Nevertheless, it feels that even in its first four months it has made its presence felt – not only in the Reports it has submitted to the House, but also in 'the influence it has brought to bear on Ministers and Government departments in their consideration of Community issues'. The core of this influence is, it considers, the Government's undertaking not to consent to Community legislative proposals referred to the House for consideration until they have been debated.

The Community's Environment Action Programme: progress to date

Continued from page 7

of pollution to meet the standards laid down by the relevant authority should be met by the polluters concerned. The possibility of limited exemptions in certain carefully defined circumstances has not been overlooked. The Recommendation, which is still under consideration by the Council, will, if agreed, not have binding legal status; but Member States will be expected to observe its principles in drawing up policy.

Future developments

In the next few months the most important development in the environmental field is likely to be the meeting of Environment Ministers, provisionally fixed for 10 October. The main aim is to review general progress on the Environment Programme, but some of the items mentioned above are also likely to come up for consideration: eg, the draft Directive on the quality of surface water intended for abstraction for drinking purposes (see 'Water quality', above), and the polluter-pays principle (see 'Economic matters', above).

More information

For further information on how EEC environmental policies may affect your firm, contact your sponsoring Division in the Departments of Industry or Trade. Specific inquiries arising from this article should be directed to Department of Industry, Industrial and Commercial Policy Division, Room 605, 1 Victoria Street, London SW1H 0ET. Tel: 01-222 7877, Ext. 3558.

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